**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**

**ORDINARY ORIGINAL CIVIL JURISDICTION**

**INCOME TAX APPLICATION NO.93 OF 1999**

The Commissioner of Income tax ..Petitioner.

V/s.

M/s.Premchand Somchand Shah ..Respondent.

Mr.P.S.Sahadevan for petitioner.

None for respondent.

**CORAM : DR. S.RADHAKRISHNAN AND J.P.DEVADHAR, JJ.**

**DATED : 6TH MARCH, 2007.**

**ORAL JUDGMENT (PER DR.S.RADHAKRISHNAN, J.)**

. Heard learned counsel for the petitioner. The above application was admitted on the following question of law:-

> "Whether on the facts and in the circumstances of the case, the ITAT was right in upholding the order of CIT(A) cancelling the penalty u/s.271(1) (c) of Rs.1,09,300/- for the A.Y. 1977-78 ?"

2. The above application pertains to assessment year 1977-78.

3. The amount of penalty involved in the application is Rs.1,09,300/-. In view of the Revenue Circular dated 27th March, 2000 the tax liability is less than Rs.2 lakhs. Hence Rules stands discharged.

4. Application is disposed of.

**(DR.S.RADHAKRISHNAN, J.)**

**(J.P. DEVADHAR, J.)**